

IRAN

1. More than 4 months since Mossadegh thrown out and Shah and Zahedi little to show:
  - A. No oil settlement
  - B. British are "back" - no serious reaction
  - C. No social reforms
  - D. Economy hanging together with our aid
  - E. Mossadegh trial goes on
2. This may continue for some months more without crack - but time not indefinite
3. Majlis' elections in January - to be completed in 24 hour period -  
3,000 candidates for 136 seats  
"Candidates must be completely honest by reputation"  
Tudeh may join forces with extreme right -  
but can't put up candidates of its own.